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JAPAN'S OPPOSITION PARTIES: OPPORTUNITIES LOST

Summary

Many political analysts contend the Japan Socialist Party had a chance to end its status as a "permanent opposition" over the past year but fumbled it. After unprecedented gains in the July 1989 upper house elections gave Japan's political opposition control of this chamber, the opposition parties, of which the largest is the JSP, could have exercised greater influence in the policymaking process. Even the glimmer of someday gaining the leadership of the country seemed possible in the heady days after the upper house vote. The February 1990 contests for the Diet's more powerful lower house, however, brought the political opposition back to earth.

Having failed to capitalize on the apparent widespread disaffection with the ruling Liberal Democratic Party and seize the reins of government, the opposition parties are at a crossroad. They can remain essentially minor political actors. Or they can take steps to build coherent alternatives to LDP-sponsored proposals, address divisiveness among themselves and adapt their platforms to contemporary social, economic and global developments.

The Lower House Elections: Where the Opposition Parties Fell Down

Nearly 18 months ago Japan's opposition parties were humming with the possibilities posed by the ruling Liberal Democratic Party having lost control of one of the Diet chambers for the first time in 35 years. Japanese voters who went to the polls in late July 1989 had selected as representatives to the

Diet's upper house 46 candidates from the Japan Socialist Party, the largest opposition group, versus only 36 LDP candidates to help fill the 126 seats up for election. This boosted the JSP's previous roster of 43 to an all-time high of 72 upper house members. The JSP total combined with the other non-LDP parties gave the political opposition a clear majority in the House of Councillors. (Postelectoral realignments, primarily by independents, have boosted both the LDP and the JSP tallies, but as indicated in Table 1 the opposition parties still hold a majority.)

Table 1: Current Upper House Party Alignment

Party	Seats
Liberal Democratic Party	114
Japan Socialist Party	73
Komeito	20
Japan Communist Party	14
Democratic Socialist Party	10
United Social Democratic Party	0
Progressive Party	0
Rengo	12
Minor Parties	4
Independents	5
Total	252

Some members of Japan's opposition parties -- once described as a "permanent opposition" since they appeared unable to loosen the LDP's grip on power -- viewed the JSP's surge as the foot in the door they needed to eventually seize the reins of government from the ruling party. Although the LDP still held a significant majority in the lower house -- the lead policymaking chamber, which elects the prime minister, the political opposition's control of the upper house potentially had important policy implications. Since the House of Councillors has the final say on nontax, nontreaty legislation passed by the lower house, the opposition parties -- which in addition to the JSP include Komeito, the Democratic Socialist Party, the Japan Communist Party, Rengo and a few small single-issue parties -- had hoped to use their numerical advantage in the upper chamber to block action on critical legislation in an effort to win concessions from the ruling party.

These obstructionist tactics were expected to play well at the grass roots, where disenchantment with LDP politics and policies was running high, at least prior to the February 1990 lower house contests. As the following examines, however, this approach did not convince the Japanese electorate that a JSP-led opposition was ready to rule the country. The factors that previously had limited the opposition parties' political influence continued to hamper their ability to mount an effective challenge to the LDP in the mid-February lower house elections; voters gave the ruling party a significant margin of

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victory. The political opposition, in short, bungled an important opportunity to shift the locus of power.

Poor Electoral Strategy - The JSP picked up 58 new seats in this year's elections for the 512-seat House of Representatives, increasing its tally there to 141 from 83. While a significant increase, the Socialists did not perform as well as they had hoped; in at least 36 "close" races, for example, the ruling party candidate edged out the JSP competitor. Moreover, these gains were at the expense of other opposition parties. Komeito dropped to 46 seats from 55, the JCP to 16 from 27, and the DSP to 14 from 26. The LDP, in comparison, captured approximately 47 percent of the popular vote, which translated into 275 seats, a figure well in excess of the 271 seats the party needed to extend its 35 years of uninterrupted leadership into the near future. (As Table 2 indicates, postelection shifts have increased the LDP bloc.)

Table 2: Current Lower House Party Alignment

Party	Seats
Liberal Democratic Party	284
Japan Socialist Party	139
Komeito	46
Japan Communist Party	16
Democratic Socialist Party	14
United Social Democratic Party	5
Progressive Party	0
Rengo	0
Minor Parties	0
Independents	7
Total	511*

*One seat is vacant.

There is a view that the JSP's gains in the lower house elections were largely "checking votes" against the LDP (see JEI Report No. 12A, March 23, 1990). Analysts have proposed that voters remained concerned about the nature and the direction of ruling party politics and policies in the wake of the previous year's Recruit Co., Ltd. influence-peddling scandal as well as implementation of the 3 percent consumption tax and liberalization of the beef and orange markets. But when it came to determining who should govern the country, the electorate either played it safe by voting LDP or concentrated their anti-LDP votes on the candidates from the largest of the opposition parties as a means of maintaining a close watch on the ruling party and restraining it when necessary, this argument goes.

Several Japanese political analysts nevertheless contend that the opposition parties could have wrested lower house control from the LDP if they had had a better electoral strategy. That the JSP failed to seize the reins of power in February is its own fault, these pundits charge. The Socialists, for example, did not field enough candidates to seriously undermine the LDP's chances of securing at least a simple majority.

Opposing the ruling party's slate of 320 candidates were approximately 155 JSP candidates; 131 from the JCP; 58 from Komeito; 44 for the DSP; and six each from two smaller parties, the United Social Democratic Party and the Progressive Party. In one commentator's words: "Here [the Socialists] had this great chance to prove themselves and they only managed to put up more than one candidate in 29 districts. If they really [had wanted] to take over from the LDP, they [should have] fielded something like 180 to 200 candidates."[1]

The JSP's "egoism" also was a factor, another analyst maintains. As a perennial opposition party without much money, he says, the JSP tried to keep its own coffers as full as possible rather than sharing the funds available to it with its potential coalition partners, the DSP and Komeito.[2] In addition, some political observers feel the Socialists relied too much on a force that had worked well particularly among women voters in the 1989 elections, the charisma of their chairman, Takako Doi. In this view the party failed to cultivate new talent and perhaps overused the magnetism ploy, underestimating voters' desire to move away from some of the 1989 election issues.

Ms. Doi had captured the public's attention by articulating its anger over the April 1989 implementation of the 3 percent consumption tax, liberalization of beef and orange imports and the LDP's Recruit-related unethical behavior. Moreover, she was in the right place at the right time to exploit Japanese women's growing opposition to LDP policies and practices and their general dissatisfaction with the male-dominated worlds of politics and business. Any embarrassment that voters may have felt over then Prime Minister Sosuke Uno's reported extramarital relationship with a geisha also may have enhanced women's disaffection toward the LDP. The Doi-inspired "madonna" strategy, which entailed fielding as many female candidates as possible to woo Japan's growing legions of disenchanted voters, proved successful in the July 1989 upper house contests. Of the 17 women elected to the House of Councillors, 10 were JSP members.

Analysts surmised after the upper house elections that Japanese women propelled the "madonna" candidates into national office because of what they represented symbolically rather than substantively. Japanese voters, aware of the importance of the lower house for the leadership of the country, apparently were less willing to make "symbolic" statements when selecting representatives for this chamber; JSP "madonnas" running for the House of Representatives did not fare as well as in the earlier race. (This outcome may have been linked to Mr. Uno's no longer being prime minister.) The Socialists as well as the other opposition parties, it can be argued, did not showcase effectively any potential leadership talent, female or male.

The opposition parties also allowed themselves to be outmaneuvered by the ruling party on the timing of the lower house elections. After the LDP's crushing defeat in the upper house contests, its leaders believed they stood a

[1]Minoru Matsuzaki, "Election '90: The Socialists Miss Their Chance," Japan Echo, XVII, No. 2, Summer 1990, p. 9.

[2]Kotaro Tawara, Kimihiro Masamura and Takashi Inoguchi, "The Sorry State of Japanese Politics," Japan Echo, XVII, No. 2, Summer 1990, p. 14.

better chance of reversing the party's fortunes if they could delay the House of Representatives elections for as long as possible. In the fall of 1989 JSP officials let it be known that they planned to force the dissolution of the lower house in early November by pushing for a vote on an opposition-backed bill to repeal the consumption tax; this action -- similar to a no-confidence vote -- would have helped move up the election schedule.

LDP strategists countered by raising allegations that some Socialist members had received questionable contributions from operators of pachinko (pinball) parlors (see JEI Report No. 41B, October 27, 1990). Some Japanese political observers believe this stratagem, which helped the ruling party delay the dissolution of the lower house until late January 1990, put the Socialists on the defensive.[3] It took away the high moral ground the JSP had held in the Upper House elections as well as their momentum. That turn of events ultimately deprived the opposition parties of their best chance ever of seizing control of the lower chamber.

No Coherent Policy Proposals - Following its upper house victory, the JSP needed to instill confidence among the electorate that it possessed the "vision" to lead the country by coming forward with coherent alternatives to LDP-led government policies. Instead, the Socialists simply chose to nay-say virtually any ruling party initiative. They continued to rely on reactive policies rather than promoting new ideas able to serve as national policies.

Ms. Doi's tactic of repeatedly "saying no" to the unpopular consumption tax, in particular, had been very effective in the upper house campaigns. But as one commentator remarked, "She apparently [didn't] understand that this tactic [wouldn't] work with tougher and graver issues that could have decisive bearings on the nation's destiny."[4] By early 1990 public opinion polls, in fact, showed that the public's strong feelings about the levy had subsided due, in part, to their realization that it did not hit their pocketbooks as hard as they had feared. It was shortsighted for a party that was seriously interested in moving into power to campaign on a narrow antitax platform, other analysts noted.[5]

Undeterred, the Socialists refused to budge from their position that the tax be abolished or completely overhauled. Even when the JSP secured passage of such legislation in the upper house, it failed to come forward with timely, fiscally responsible substitute tax measures. Instead, the Socialists said such measures would be forthcoming after lower house action to abolish the tax (see JEI Report No. 38B, October 6, 1989).

This strategy was not well-conceived and highlighted the party's inexperience in effectively utilizing its new leverage as the dominant force in a Diet chamber. Although the upper house measure was sure to meet defeat in the lower house, the JSP missed an invaluable opportunity to negotiate a compromise

[3]Matsuzaki, op. cit., p. 9.

[4]Toshihiro Ando, "Doi Nay-Saying Is No Substitute For Policymaking," Japan Economic Journal, September 29, 1990, p. 9.

[5]Tawara et. al., op. cit., p. 15.

with the ruling party. Had the JSP chosen to cooperate rather than adopting a rigid stand, it might have realized even greater reductions or exemptions to the tax.

More important, the Socialists would have demonstrated to the electorate that their party could bridge ideological differences among the various parties, a negotiating skill necessary for leadership in a multiparty system of government. The JSP's by-then familiar refrain that the tax should be abolished apparently ended up disillusioning a plurality of voters about the largest opposition party's leadership abilities.

The other two noncommunist opposition parties, Komeito and the DSP (whose views on most policy matters actually are much closer to the LDP than the JSP), were equally at fault for failing to offer voters well-conceived policy alternatives. On the consumption tax both the DSP and Komeito parroted the JSP's line. It was not until after they incurred substantial losses in the lower house elections that they agreed to negotiate with the ruling party on a compromise tax plan.

The views of these two parties on defense and foreign policy are very much in line with the ruling party's (see JEI Report No. 41A, October 28, 1988). The only area where they effectively could make a distinctive mark and prove to voters that they could provide leadership alternatives to the JSP and the LDP is in domestic policy. On the consumption tax, in particular, their decisions to throw their lots in with the Socialists proved disastrous, as seen by their significant lower house losses.

No Clear Ideology - The opposition parties present a fractured image of being in the throes of ideological change, which no doubt confuses the electorate. While they appear to perceive a need to adapt their principles and policies to address Japan's emergence as a global power, resistance to this transition is strong.

The JSP, in particular, appears to be suffering from an identity crisis of sorts. Kotaro Tawara, an editorial writer for Sankei Shimbun, has observed that the Socialists in reality have been retreating from the principles that have guided their party over the 45 years since World War II. "What they stand for wasn't too clear in the 1989 election, and it was even less clear [in the February 1990 elections]," he has stated. "They haven't come up with anything to replace their former principles, which, though doctrinaire and unrealistic, at least provided them with an identity."[6]

The JSP's confusion as to where it should be headed ideologically is especially apparent in the defense area. The Socialists historically have argued for abolishing the U.S.-Japan Mutual Security Treaty and dismantling Japan's Self-Defense Forces. (The DSP and Komeito, as implied above, have supported Japan's defense relationship with the United States and the maintenance of defensive military forces.) When it became apparent that leadership might be within its grasp following the upper house contests, the JSP began to soften its stance, conceding that it is not "realistic to think of an overnight [abolition] of the Self-Defense Forces."

[6]Tawara et. al., op. cit., p. 15.

At the party's convention this past April the JSP agreed to support maintenance of the U.S.-Japan defense treaty. Another significant shift was its decision to delete the phrase "achievement of Socialist revolution" from its platform in an effort to dispel possible suspicion among the Japanese people that the party intends to "foment socialist revolution" (see JEI Report No. 35B, September 15, 1989). At least in these two areas the Socialists actually may be moving more toward the center of Japan's political spectrum. (Judging by the public opposition to greater Japanese involvement in and support for multilateral peacekeeping efforts in the Persian Gulf, some of the JSP's apparently evolving positions now may appeal to a broader cross section of voters than perhaps even they recognize.) However, the JSP does not appear to be exercising control over its destiny and instead is proceeding with this philosophical shift in a piecemeal, reactive manner.

The DSP also is groping for direction, fearing that no matter which way it leans it will bring about its own demise. The DSP, whose original members constituted the conservative faction of the JSP until they split from the Socialists in 1959, traditionally has served as a buffer between the Socialists and the Liberal Democrats. In the past DSP drew a large portion of its candidates and constituent support from Domei, a group of trade unions that principally represent the private sector (see JEI Report No. 41A, October 28, 1988). The 1987 absorption of Domei into Rengo (a confederation of trade unions) eliminated an important fund-raising capability and support base for the party. With Japan's emergence as a global economic power -- and the Socialists apparent move toward the center -- the need for a political middle ground and, thus, the DSP's raison d'etre have decreased significantly.

Following its loss of seats in the upper house elections, the DSP tried to attach itself to the coattails of Ms. Doi's party in an effort to build its lower house representation. But with the stinging loss of 12 seats in the February elections, the Democratic Socialists subsequently have distanced themselves from the JSP. While the JSP's potential "checking" influence on the ruling party may have prompted voters to skip over the DSP in February, the party's increasing lack of differentiation from the LDP and even the JSP on a wide range of issues also probably left voters without any clear impression of what this party could do for them.

Despite attempts by its leadership to decouple Komeito from its founding by a religious group (see JEI Report No. 41A, October 28, 1988), the party continues to attract a core of voters drawn to the party's Buddhist background. The political ideology of Komeito, which also attempted to utilize JSP coattails in the February lower house elections, is unclear, since the party has courted both the left and the right. Essentially, Komeito's strategy is aimed at achieving governing experience. That the party, on the one hand, can fall in line with the JSP on the consumption tax, while, on the other hand, talk of forming an issue-by-issue coalition with the LDP, does not seem to bother its core of voters, who consistently appear devoted to the party's religious roots.

The Japan Communist Party, while not confused about its ideology, suffers from guilt by association. The party has virtually no ties with the Soviet Communist Party and has distanced itself from the Chinese Communist Party. Nevertheless, the JCP incurred electoral losses in both the upper house and the lower house due to the public's negative reaction to Beijing's repressive tactics toward prodemocracy advocates as well as developments in Eastern Europe.

The view of communism as an ideology is seen in Japan -- and in more and more countries -- as unviable.

At its 19th annual convention this past July, however, the JCP resisted calls from both inside and outside the party to effect the sort of changes undertaken by the communist parties in the Soviet Union and Eastern Europe. Despite losing 11 of its 27 seats in the lower house, the JCP congratulated itself for winning some 5.2 million votes nationwide, contending that it obtained "as many votes as before [even though] other parties harshly criticized our party by citing situations in Eastern Europe and comparing them with the JCP."

Interparty Divisiveness - Opposition party efforts to unseat the ruling party also have been undermined by the inability of these groups to form a working coalition. Although the four major opposition parties convened a special summit in the spring of 1989 ostensibly to lay the foundation for a coalition that could take on the LDP, organizational problems and personality differences have stood in the way of unity. The JCP refuses to cooperate with any other party. Persistent ideological cleavages within the JSP itself have complicated efforts to find a common ground.

Previously, policy disagreements impeded cooperation among the three main noncommunist opposition parties. As mentioned, the JSP for many years staunchly opposed the U.S.-Japan security treaty, a stance at odds with the DSP and Komeito. The noncommunist opposition parties also have not seen eye-to-eye on such foreign policy issues as relations with North Korea and South Korea. (The JSP historically has favored normalizing relations with Pyongyang, which the DSP and Komeito oppose.) Another area of divergence is maintenance of Japan's three-point nonnuclear policy -- that is, not to possess, manufacture or permit the introduction of nuclear weapons into Japan. The Socialists believe this policy should be tightened and that Japan should reduce its reliance on nuclear power; the two centrist parties disagree.

The JSP's left wing, in particular, persistently has blocked efforts to work out these disagreements. Rather than forming a united front by pooling their resources and developing a coordinated election strategy, the four major opposition parties campaigned on their own in the lower house races. In effect, they competed with each other as much as with the LDP. The largest opposition party came out somewhat ahead, but all four might have fared better in February had they agreed to cooperate with each other.

Other Lost Opportunities

Nine months after their disappointing performance in the lower house elections, the opposition parties still appear unable to correct the mistakes that have limited their ability to challenge the LDP's rule. That the DSP and Komeito continue to grope for direction is somewhat understandable in light of their weakened strength. But the JSP -- which has not enjoyed its current parliamentary clout since the late 1960s -- continues to behave like a member of the "permanent opposition" rather than a party capable of leading Japan into a new era. The Socialists appear unable to forge a meaningful, alternative policy agenda. As one commentator noted: "The [JSP's] slogan, 'a party capable of governing the nation,' is not being fulfilled, and the JSP may even be accused of abandoning its responsibilities as the largest opposition party."[7]

[7]Ando, op. cit.

Such a perception may be behind the Socialists' more recent difficulties at the polls. Although the JSP won an upper house by-election in Fukuoka prefecture this past June, it has lost two subsequent upper house by-elections to the LDP. The JSP's November loss in Aichi prefecture and its December defeat in Niigata prefecture were significant because both contests were widely viewed as referendums on the LDP's ability to govern, coming as they did after the ruling party proposed an unpopular measure to dispatch Self-Defense Forces personnel overseas to assist United Nations peacekeeping activities (see JEI Report No. 43B, November 9, 1990).

The Socialists flat out opposed the proposed U.N. Peace Cooperation Law on the grounds that dispatching SDF personnel abroad, even in nonmilitary capacities, is unconstitutional. As with their approach to tax reform, the rigidity of the JSP's opposition did not allow room for compromise or a chance to propose an alternative. Ironically, an important plank of the Socialists' foreign policy platform has been to utilize the United Nations as a forum for resolving regional and global conflicts. The JSP possibly could have become more directly engaged in the policymaking process -- and emphasized its U.N. support -- if it had countered with a proposal that Japan dispatch a volunteer peace cooperation team minus SDF personnel. As it turns out, the ruling party probably will pursue this alternative since it was forced to withdraw its original proposal (see JEI Report No. 44B, November 16, 1990). Moreover, the Socialists could have drawn support from elements within the ruling party itself that opposed the peace cooperation plan, further enhancing a leadership image.

The Socialists also have been upstaged by the Liberal Democrats on the issue of Japan's relations with North Korea. Until recently the JSP was the only major political party to advocate a tilt toward the north in Japan's Korea policy. But when North Korean President Kim Il Sung decided to broach the possible establishment of diplomatic relations between Tokyo and Pyongyang during a late September visit to North Korea by a joint LDP-JSP delegation, he made the overture to veteran LDP member Shin Kanemaru rather than the group's other coleader, JSP vice chairman Makoto Tanabe (see JEI Report No. 38B, October 5, 1990). Prime Minister Toshiki Kaifu's favorable response to Pyongyang's offer left the JSP on the sidelines with nothing to show for the years in which it had kept channels of communication open between the two countries.

Another indication of the Socialist Party's leadership shortcomings was the decision in October by three upper house Tax Party members to join the ruling party. According to one of the trio, the three legislators decided to align with the LDP so they could "tackle the tax issue through the ruling party." The JSP apparently did not inspire these three legislators' confidence in its ability to play a meaningful role in the tax debate.

The JSP's apparent inability to break out of a reactive mode may be due to its years of operating in an LDP-dominated political system. Some political analysts suggest that the Socialists' 3C-odd-year status as an opposition party has had an enervating impact. In that view the minority position has tended to perpetuate the party's view of itself as stagnant and sapped all inspiration to develop coherent, forward-looking policies.[8] Until recently JSP members

[8]Gerald Curtis, The Japanese Way of Politics (New York: Columbia University Press, 1988), p. 121.

had little incentive to play an active role in policy development or in building the party's national organization. Even after its upper house upset, the largest opposition party still had only a handful of economists and foreign policy analysts on its headquarters staff devoted to policy analysis and development. The LDP, in comparison, has numerous committees and task forces devoted to policy formulation. By virtue of its years at the helm, the ruling party also knows how to tap the bureaucracy for policy expertise.

Judging by the way the Socialists have been dealing with the LDP-backed plan to change the electoral system, the opposition party may bungle another opportunity to enhance its political stature. As will be discussed below, the ruling party's plan to do away with the current multiseat electoral system in favor of one that combines both single-seat and proportional representation will hurt everyone -- but especially the opposition parties. Not surprisingly, the JSP persistently has opposed the change. One analyst has asked, however, "How will [the Socialist Party] be able to reconcile such a position with [its] public commitment to seizing power [which obviously requires a change]?"[9] The JSP once again may be setting itself up to play nothing more than a reactive role in the policy debate.

Will Electoral Reform Shake Things Up?

Prime Minister Kaifu earlier this year said he would stake his administration on enactment of a plan to reform Japan's electoral system. The most recent drive for political reform, as it commonly is called, is an outgrowth of the Recruit influence-peddling affair. That scandal highlighted one of the basic realities of the lower house's multiseat electoral system, wherein three to five candidates are elected to represent each district. This form of representation requires a candidate to raise extraordinary sums of money to wage what essentially is a "personality contest."

The money-centered nature of politics in Japan opens the system up to abuse in the absence of loophole-proof limits on campaign contributions. All of the noncommunist parties had at least one member who was alleged to have received shares in Recruit Cosmos, Co., Ltd. in 1984-86 before the Recruit subsidiary's stock became available in the over-the-counter market. A company's offering of preflotation shares as a political contribution at that time was not uncommon and not illegal in Japan. However, Recruit's activities gave the appearance of impropriety because of the huge amounts of stock sold (some 2,016,000 shares went to approximately 159 people) and the enormous profits each purchaser realized when the real estate firm went public in 1986. As was later revealed, Hiromasa Ezoe, Recruit's founder and former chairman, strategically targeted these campaign "gifts" in an effort to penetrate the LDP's close ties to established big business and, in turn, buy political influence.

The LDP, which had many leading members who were prominent recipients of Mr. Ezoe's apparent largesse, was hurt badly by these revelations. The Recruit affair sorely offended the public's sense of what is just and fair. In early 1989 voters turned to the polls to take out their anger and disenchantment with what they viewed as the ruling party's corruption. The LDP, in an effort to improve its image with the electorate and prove its sincere desire to "clean up" Japanese politics, committed itself in the spring of 1989 to changing the

[9]Ando, op. cit.

system. Former Prime Minister Noboru Takeshita's resignation in April 1989 to accept responsibility for the extent of his party's involvement with Mr. Ezoe, gave additional impetus to LDP efforts for electoral system reforms.

In late November the LDP put the finishing touches on a reform proposal that it plans to submit to the Diet for consideration during the current regular session. Under the ruling party's plan the number of lower house seats would be cut from 512 to 471. These 471 seats would be filled by 300 members representing single-seat constituencies and 171 elected according to a proportional representation system. Thus, each voter would cast two ballots: one for a representative to fill the seat allotted under the single-seat apportionment, the other for a political party. These "proportional" seats would be distributed among the parties according to the number of votes each party received in each electoral region. The representative would be whoever topped the cutoff figure on the parties' lists of potential delegates.

Virtually all pundits agree that the LDP would win heavily under the proposed system; the JSP, they say, probably would suffer big losses, and the smaller parties could disappear because there would be fewer opportunities for voters to select LDP-alternative candidates. Why then do an estimated one-quarter of LDP Diet members object to the plan? For one, electoral districts would be eliminated. Junior LDP members also are concerned that they may be told to run for a proportional seat or in a district with which they have no political ties. (The proposed reform apparently does not address the U.S. equivalent of carpetbagging.) In addition, there is a lot of uncertainty as to whether or when a member will be designated an "official party candidate" and whether an abundance of money still will be needed, either to campaign to be named an official party candidate or to campaign for a single seat. In short, enactment of the proposed electoral reform is not assured; Mr. Kaifu will face stiff resistance from his own party as well as the political opposition.

If the prime minister is successful in enacting this plan, however, Japan's political parties may be shaken up. A U.S.-style two-party system could evolve, with the LDP dominating the conservative end of the spectrum and the JSP occupying the liberal end. The DSP, Komeito and small, single-issue parties may find that they have no choice but to enter one or the other folds.

Outlook for Possible Realignments

Even if Mr. Kaifu's electoral plan does not become law, there appears to be some potential for party realignment. The Socialists' more recent, softer line on defense issues suggests that the JSP's left wing may be losing its ability to paralyze the party. Further evidence of the party's shift toward the political center is apparent in a recently announced plan by JSP members to form a "centrist faction." Between 40 and 50 JSP Diet members are expected to join the new faction, led by Diet member Takatoshi Fujita; inaugural ceremonies are set for January 24, party sources leaked to the Japanese press in early December. "It is important to respond to the people's needs and to establish an ideal of social democracy that would help the JSP take over the government," Mr. Fujita stated.

The JSP no doubt hopes to bring DSP and Komeito members under its wing and broaden its base of popular support. Experts agree that a broader vision is imperative if the party hopes to seize control from the LDP. "The JSP's great gains in the election were due to its slipping away from leftist ideology to a

more centrist position," contends Kimihiro Masamura of Senshu University. "But further gains can't be expected from this sort of unsystematic slipping toward the middle of the road. The Socialists will have to reorganize themselves into a truly centrist party if they want to pick up even more votes."[10]

Even with the JSP's emerging shift in political ideology, the DSP and Komeito do not appear interested in aligning with the Socialists in the hope of someday ruling the country. The JSP's arrogance about its 58-seat gain in the House of Representatives immediately following the lower house elections was instrumental in pushing the two centrist parties toward the political right. Indirectly suggesting that the weakened Komeito and DSP had no choice but to follow the Socialists' party line, JSP secretary general Tsuruo Yamaguchi declared last March that "the JSP's gains in the [lower house] election indicate that the voters supported the policies of the JSP. . . . [O]ur bargaining power with the LDP depends on our unity as a majority force in the upper house against the LDP's control of the lower chamber."

Yuichi Ichikawa, secretary general of Komeito, rebutted that while "opposition unity may be beneficial for the JSP, we are not an auxiliary force for [that party]." At Komeito's annual convention in April chairman Koshiro Ishida formally distanced the party from the JSP, calling for a freeze on talks to forge an opposition party coalition. The need for a third "pole" in addition to the LDP and the JSP is greater than ever, Mr. Ishida reportedly told party delegates.

In the intervening months Komeito -- which bills itself as the Clean Government Party -- has gravitated significantly to the right of its centrist "pole" and indicated that it will cooperate with the ruling party on specific issues. But the small opposition party is not considering forming a coalition government with the LDP, Mr. Ichikawa has clarified. Komeito's desire to become a more significant actor in the governing process, nevertheless, is apparent from its chairman's remark in early December that a "political atmosphere for a coalition between Komeito and the LDP will improve if the [ruling party] goes ahead with [plans to] reform the political system and stops raising election funds from financial circles."

As mentioned, the DSP also has tried to dissociate itself from the Socialist camp. Former DSP chairman Eiichi Nagasue, who favored closer relations with the JSP, was forced to resign to assume responsibility for his party's losses in the February lower house elections. The DSP's current chief, Keigo Ouchi, has reversed this line. The party has stopped short of proposing any sort of coalition or issue-by-issue cooperation with the ruling party, however, for fear of finding itself absorbed by the LDP. There is a view that in an effort of self-preservation the DSP again might return to a loose alliance with the JSP.[11] With the JSP's apparent movement toward the political center, this may not be an unrealistic scenario.

The ruling party itself may find a seriously eroded base of support depending on how it handles key domestic and international issues. Although the Uruguay Round of multilateral trade negotiations is stopped in its tracks over

[10]Tawara et. al., op. cit., p. 15.

[11]Kyoko Shiotani, "Caught In The Middle," Far Eastern Economic Review, July 12, 1990, p. 20.

agricultural trade disputes and possibly derailed (see JEI Report No. 48B, December 21, 1990), Japan's political parties are well aware that the United States and certain other trading partners want Tokyo to open its rice market at least part way to imports. So far Komeito is the only party to state outright that Japan's ban on rice imports should be lifted. Both the JSP and the LDP have opposed liberalization of this market. It is always possible that the Kaifu administration will ease Japan's stand on rice in a bid to revive the Uruguay Round, which, if successful, would benefit Japanese business interests. This is unlikely, however, because such a move could spark a voter backlash.

The LDP could be in trouble with a large bloc of voters on another issue. The party's recent proposal for a national land-holding tax, a levy ostensibly designed to brake spiraling real estate prices in Japan, owed its final shape to heavy pressure from agricultural and business interests (see JEI Report No. 47B, December 14, 1990). The government's tax advisory body had advocated a much stiffer property tax and did not envision the extensive exceptions that the LDP ended up proposing for businesses and farmers. (The party's measure would hit only an estimated 50,000 to 60,000 property owners). As a result of the LDP's watered-down plan, the middle-income "salary man," who must contend with cramped and overpriced rental housing, may turn away from the ruling party in disgust.

Events in the Persian Gulf also may challenge the LDP-led government. If war breaks out in the Middle East, Washington and other Western allies undoubtedly will pressure Tokyo to provide more than monetary assistance. A U.N. peace cooperation team without SDF personnel might not be deemed an acceptable contribution. If Mr. Kaifu, in an effort to respond to allied demands, is perceived as forcing Japan to exceed its 45-year-old self-defense mission, this too could trigger an anti-LDP reaction.

The opposition parties could benefit from these or any similar turn of events. Equally possible is that these policy-related stresses could cause the ruling party to splinter, creating potential coalition parties for any one of the political opposition.

The early April 1991 unified local elections, involving the selection of 13 of Japan's 47 prefectural governors, one mayor and other local assembly members, should provide additional clues as to how Japan's political landscape is evolving. In the meantime, according to political columnist Minoru Tada, "The political situation is likely to continue zigzagging with no sign of stability on the horizon."[12]

[12]Minoru Tada, "Opposition Coalition Dead," The Japan Times, May 4, 1990.

For further information, contact Barbara Wanner.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.

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NOTE

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